

**MINUTES OF THE
BUSINESS AND LABOR INTERIM COMMITTEE**

Wednesday, June 18, 2003 – 9:00 a.m. – Room 403 State Capitol

Members Present:

Sen. Parley G. Hellewell, Senate Chair
Rep. Katherine M. Bryson, House Chair
Sen. Curtis S. Bramble
Sen. Dan R. Eastman
Sen. Thomas Hatch
Sen. Ed P. Mayne
Rep. J. Stuart Adams
Rep. Jeff Alexander
Rep. Jackie Biskupski
Rep. Craig W. Buttars
Rep. David Clark
Rep. Stephen D. Clark
Rep. Carl W. Duckworth

Rep. James A. Dunnigan
Rep. Ben C. Ferry
Rep. Neil A. Hansen
Rep. Michael T. Morley
Rep. R. Curt Webb

Members Absent:

Sen. Gene Davis
Rep. Todd E. Kiser

Staff Present:

Ms. Mary Catherine Perry, Policy Analyst
Mr. Patricia Owen, Associate General
Counsel
Ms. Sandra Wissa, Legislative Secretary

Note: A list of others present and a copy of materials can be found at <http://le.utah.gov> or by contacting the committee secretary at 538-1032.

1. Committee Business

Chair Bryson called the meeting to order at 9:03 a.m. She excused Rep. Kiser from the meeting.

MOTION: Rep. Hansen moved to approve the minutes of the May 21, 2003 meeting. The motion passed unanimously with Rep. Alexander, Rep. Biskupski, and Rep. S. Clark absent for the motion.

2. Report from the Department of Insurance on Consumer Education

Mr. Merwin Stewart, Commissioner, Department of Insurance, distributed and reviewed a handout on the department's website. He answered questions from the Committee.

3. Use of Comprehensive Loss Underwriting Exchange Reports

Ms. Perry distributed and reviewed "C.L.U.E. Reports: Comprehensive Loss Underwriting Exchange."

Mr. Brad Tibbits, Director, Division of Property and Casualty Insurance, Department of Insurance, spoke to the Committee on this issue.

Mr. Jeffery Skelton, Assistant Vice President, Personal Insurance - Legislative Affairs, ChoicePoint, Inc., spoke to the Committee and answered questions. He also made available a pamphlet "The Positive Power of Information, A Guide to Understanding the C.L.U.E.® Database."

Mr. Steve Craig, Assistant Vice President, Insurances Services Office, spoke to the Committee on this issue. He also distributed a copy of his testimony.

Mr. Chris Kyler and Mr. Robert Farnsworth, Utah Association of Realtors; Mr. Don Adams, President/COO, Bear River Mutual; Mr. Steve Baugh, Government Relations, and Mr. Curtis Breitweiser, President, Utah Association of Independent Insurance Agents; and Mr. Jeff Paggi, Product Development, Farmers Insurance, spoke to the Committee on this issue.

Chair Bryson relinquished the chair to Sen. Hellewell.

4. Use of Credit Information for Insurance Purposes

Ms. Owen distributed and reviewed "Credit Reports and Insurance."

Rep. Peggy Wallace provided information on this issue for the Committee and indicated that she has concerns about the use of credit information for insurance purposes.

Mr. Tibbits provided information to and answered questions from the Committee on this issue.

Mr. Eddie Lo, Insurance Manager, Fair Isaac Corporation, distributed and reviewed "General Statement of the Fair Isaac Corporation to the Utah Business and Labor Interim Committee Regarding the Use of Credit Information and Scoring," and "Answers to Your Questions About Insurance Bureau Scores." Mr. Lo indicated that insurance scores are a valuable tool for insurers.

Ms. Ann Marie Weber, Counsel, NAII (National Association of Independent Insurers), spoke to the Committee on this issue and answered questions. She also distributed and reviewed "A Statistical Analysis of the Relationship Between Credit History and Insurance Losses" and "Pickens: Insurance Scoring Color Blind." Ms. Weber also indicated that credit information is a useful tool for insurers.

Chair Hellewell relinquished the chair to Rep. D. Clark.

Mr. Baugh and Mr. Brietweiser spoke to the Committee on this issue.

Mr. Tom Holbert, Ms. Delone Cates, and Ms. Terry Watters spoke to the Committee on this issue.

Mr. Brian Braddock, Assistant Vice President/State Executive Director (Utah), Farmers Insurance, answered questions from the Committee.

5. Other Items / Adjourn

MOTION: Rep. Biskupski moved to adjourn the meeting. The motion passed unanimously. Sen. Hellewell, Sen. Bramble, Sen. Eastman, Sen. Hatch, Sen. Mayne, Rep. Alexander, and Rep. Dunnigan were absent for the vote.

Chair D. Clark adjourned the meeting at 12:02 p.m.